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## Press Release

COMMISSIONER'S OFFICE

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### State Forecasts Lower Oil Revenue

**Anchorage** – Department of Revenue (DOR) Commissioner Randall Hoffbeck will release the *Fall 2015 Revenue Sources Book* today. This annual publication provides basic information about state revenue, as well as a forecast of state revenue over the next ten years. The *Revenue Sources Book* will be available December 30, 2015 at 2pm on the Department's website, at [www.tax.alaska.gov](http://www.tax.alaska.gov).

Total state revenue was \$8.5 billion in FY 2015 from all sources, and, of this total, general fund unrestricted revenue (GFUR) totaled \$2.3 billion.

"Total state revenue dropped more than 50% from FY 2014 and, of this total, general fund unrestricted revenues fell by over 50%," according to Commissioner Hoffbeck.

Commissioner Hoffbeck went on to say, "for FY 2015 total oil production averaged 519,500 barrels per day for the State of Alaska, including the North Slope and Cook Inlet areas. This is 27,400 barrels per day less than in FY 2014, or a 5.0% decrease. North Slope production decreased from 531,100 in FY 2014 to 501,500 in FY 2015. While there was a 13.9% increase in production in Cook Inlet, this was not sufficient to offset a 5.6% decrease on the North Slope. We are forecasting North Slope annual production over 500,000 barrels per day until 2018."

"The revenue forecast," continued Commissioner Hoffbeck, "is based on an annual average Alaska North Slope oil price of about \$50 per barrel for FY 2016 and for FY 2017 about \$56 per barrel. This means we are projecting unrestricted revenue of less than \$2 billion per year through FY 2017. Beyond that we project that annual average prices will increase to \$80 nominal price within the ten year forecast period, based on fundamental analysis of the structure of oil markets. This in turn is likely to help achieve higher revenue, but not for several years."

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